

QUESTION AND ANSWERS
BANK INDONESIA REGULATION NUMBER 13/20/PBI/2011
CONCERNING RECEIPT OF EXPORT PROCEEDS AND WITHDRAWAL OF
FOREIGN EXCHANGE FROM EXTERNAL DEBT

1 Q : What is the background and purpose of the policy on receipt of export proceeds and withdrawal of foreign exchange from external debt ?

A : The policy background is the fact that there is still potential funds from receipt of export proceeds and withdrawal of foreign exchange from external debt which are not executed through domestic foreign exchange banks. Such condition could have impact on the balances of supply and demand in foreign exchange domestic market which is currently still dominated by short term capital inflow that is very vulnerable for sudden capital reversal and have negative impact on rupiah stability and macroeconomic stability. By this policy, it is expected that foreign exchange supply in domestic market will be more stable and more sustainable. Furthermore, this policy is expected to contribute in creating sounder financial market and in supporting the effort to maintain the stability of rupiah and to strengthen the macroeconomic stability.

2. Q : Can foreign bank branch in Indonesia receive Export Proceeds and withdrawal of foreign exchange from external debt?

A : Foreign bank branch in Indonesia can receive Export Proceeds and withdrawal of DULN *) since it is including in Foreign Exchange Bank coverage as referred to in article 1.

Note: *) DULN is abbreviation of Devisa Utang Luar Negeri or Foreign Exchange from External Debt, means foreign exchange acquired by an external debtor from withdrawal of External Debt.

3. Q: When must Export Proceeds be received by Exporter through Foreign Exchange Bank?

A: Exporters must receive Export Proceeds through Foreign Exchange Bank no later than 90 (ninety) Days after PEB*) Date. Receipt of Export Proceeds through a Foreign Exchange Bank using payment under usance L/C, consignment, open account or collection that falls due on or after 90 (ninety) Days after the PEB Date, must take place no later than 14 (fourteen) Days after the due date of the payment concerned. as referred to in article 3.

Note : *) PEB is abbreviation of Pemberitahuan Ekspor Barang or Declaration of Goods Exported, means a customs document used to declare the export of merchandise, which may comprise inscription on a form or electronic media as stipulated in the customs regulations

4. Q: **When does Foreign Exchange Bank receive information regarding PEB from Exporters?**

A: The information shall be conveyed to the Foreign Exchange Bank no later than 3 (three) Working Days after the Exporter receives the Export Proceeds through the Foreign Exchange Bank. Afterwards, the Foreign Exchange Bank shall convey such information to Bank Indonesia, as referred to in article 4.

5. Q: **What should be done by Exporters if they did not receive Export Proceeds due to Importer's bankruptcy?**

A: Exporter that does not receive Export Proceeds by reason of Importer in bankruptcy has to submit a written explanation enclosing supporting documents to the Foreign Exchange Bank for forwarding to Bank Indonesia. The written explanation enclosing supporting documents as referred to in paragraph (1) shall be submitted no later than 90 (ninety) Days after the PEB Date.

6. Q: **Is it allowed that nominal amount of Export Proceeds received by Exporters not equal to the nominal amount of PEB?**

A: The nominal amount of Export Proceeds may not be equal to the nominal amount of PEB in the event that:

- a. Export Proceeds arises from subcontracted processing (makloon), repair services and/or operational leasing or financial leasing,
- b. administrative expenses, which is 10% (ten percent) of the PEB Value or equivalent to no more than Rp 10,000,000.00 (ten million rupiahs);
- c. Importer in default, in bankruptcy or in force majeure condition.

7. Q: **What kinds of ULN which must be withdrawn through Foreign Exchange Bank?**

A: The requirement for withdrawal of DULN by External Debtors applies to DULN in cash funds, originating from:

- a. ULN *) based on a non-revolving loan agreement not used for refinancing;
- b. the increment of a refinancing facility over the amount of a former ULN ; and
- c. ULN based on debt securities in the form of Bonds, Medium Term Notes (MTN), Floating Rate Notes (FRN), Promissory Notes (PN) and Commercial Paper (CP).

Note : *) ULN is abbreviation of Utang Luar Negeri or External Debt, means debt owed by a Resident to a non-Resident in foreign currency

8. Q: **Is it allowed that withdrawal accumulated amount not equal to the commitment?**
- A: The accumulated value of DULN withdrawal has to be equal to the commitment value. In the event that accumulated value of DULN withdrawn by an External Debtor through a Foreign Exchange Bank is less than commitment, the External Debtor has to provide a written explanation to Bank Indonesia.
9. Q: **This regulation will take effect on January 2, 2012. Do Exporters with export agreement issued in 2012, have to receive Export Proceeds through Foreign Exchange Bank no later than 90 (ninety) Days after PEB Date?**
- A: Concerning Export Proceeds originated from PEB issued in 2012, the requirement to receive Export Proceeds through a Foreign Exchange Bank shall become effective 6 (six) months after the PEB Date, as referred to in article 18.
10. Q: **How about external debt agreement signed before effective date of this regulation? Do such withdrawal of DULN have to be executed through Foreign Exchange Bank?**
- A: The withdrawal of DULN originated from ULN agreement signed before this Bank Indonesia Regulation comes into force is not required to be withdrawn through a Foreign Exchange Bank, except for DULN withdrawal on an increase in external debt ceiling by virtue of an amendment to agreement signed after this Bank Indonesia Regulation comes into force, as referred to in article 18.
11. Q: **What is the sanction for violation of Export Proceeds?**
- A: Exporter shall be liable to administrative sanctions imposed as a financial penalty of 0.5% (five per mille) of the nominal value of Export Proceeds not received through a Foreign Exchange Bank, calculated for a minimum amount of Rp 10,000,000.00 (ten million rupiahs) and a maximum amount of Rp 100,000,000.00 (one hundred million rupiahs).
12. Q: **What is the sanction for violation of withdrawal of DULN ?**
- A: External Debtor shall be liable to administrative sanctions imposed as a financial penalty of Rp 10,000,000.00 (ten million rupiahs) for each withdrawal of DULN.